INFORMATION LETTER

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WITHHOLDING OF EMPLOYEE'S INCOME TAX PAYMENTS IS REQUIRED BY NEW CURRENT TAX PAYMENT PROVISIONS

N. C. A. Counsel Summarizes Statutory Requirements Which Govern New Method of Collection

Under the new Current Tax Payment Act of 1943, which was signed by the President on June 10, all canners will be required to withhold portions of each employee's wages in much the same fashion as the current Victory Tax. The new statute, which is the result of almost six months' Congressional consideration of the various plans, is designed to put all individual taxpayers on a current basis with respect to Federal income taxes.

Complete details as to the methods to be pursued by employers withholding portions of their employees' wages or salaries necessarily must await the issuance of regulations under the new law. Pending such regulations there is set forth below a brief summary of the statutory provisions governing this new method of tax collection.

Requirement to Collect Income Tax at Source

The general operation of the withholding provisions of the Act requires that all employers paying wages, withhold from the wages of their employees, and pay to the Collector of Internal Revenue, a certain amount computed for each employee upon the wages in excess of certain exempt sums called withholding exemptions.

The Act provides that the employer shall be liable to the Collector of Internal Revenue for the payment of the tax required to be withheld, but he is not liable to any other person for the *amount* of that payment. In other words, the employer merely has the obligation to make the deductions as required by the statute, and pay them to the Treasury.

The requirement to deduct and withhold the tax under the 1943 Act supersedes and eliminates the employer's obligation to collect the 5 per cent Victory Tax, but, as noted later, does *not* repeal the Victory Tax.

What are Wages?

The obligation to withhold and deduct the income tax applies only to "employers making payment of wages,"

(Continued on page 7718)

Industry Awaiting Action

Following the meeting of the Board of Directors on June 4, members of the industry in attendance conferred with their representatives in Congress to explain the situation in which canners are placed by the policies and regulations of the various government agencies controlling the operations of the industry. The need of action to afford relief, if the industry is to attain the output for which it has planned, was generally recognized by those with whom canners conferred. However, the way in which that relief is to be afforded has not yet been determined. It involves general questions of policy which are not within the province of any one of the agencies to decide.

Fish Processors Exempted from 7th Day Double Time Payment

On May 28, the Alaska salmon industry requested the Secretary of Labor for an exemption from the provisions of Executive Order 9240, which requires the payment of double time for work on the seventh consecutive day. The petition stressed the seasonal nature of the industry; the present overtime provisions which exist in the industry and which were agreed upon by collective bargaining; and the recommendation of the Regional War Labor Board, after study of the industry's operations, that Executive Order 9240 should not be applied.

On June 7, the Secretary of Labor issued an order exempting the West Coast fish processing industry from provisions of the order. The amendment reads as follows:

"Upon application of interested parties for an exemption of the fish processing industry in the States of Washington, Oregon, and California, and in the Territory of Alaska from the provisions of Executive Order 9240, and

(Concluded on page 7714)

N. C. A. COMMITTEE REQUESTS PRICE ADJUSTMENT BOARD TO EXEMPT CANNERS FROM RENEGOTIATION STATUTE

Recently a special committee of the Association conferred with representatives of the Price Adjustment Board of the War Department to discuss the application of the renegotiation statute and regulations to the canning industry. At the conclusion of this conference, the industry committee suggested that canned foods be included along with frozen foods among the list of food products exempted from renegotiation. A portion of the text of the committee's letter to the Price Adjustment Board summarizing its discussions and forwarding this request follows:

As we indicated, our committee had been appointed by the President of the National Canners Association as a result of the confusion and misunderstanding prevailing in the industry on the question of renegotiation of purchases made by the War Department during 1942. Within the past few months many canners throughout the country have been asked to list their government contracts for renegotiation purposes and some have already been asked to furnish detailed schedules.

You will recall that the industry committee appointed included representatives from New York, the Pacific Northwest, Florida, California, and the Midwest, and was, it is believed, fully representative of the industry. Our purpose was to talk with you and your associates in order to convey the current point of view of canners and to secure from you whatever information we might obtain on these questions.

As background for this discussion you will recall that we indicated that canning of fruits, vegetables and fish is done in some 44 States and in the territories of Alaska and Hawaii, and that the 200 or more canned products are packed by about 3,000 canning concerns of which a substantial number are grower cooperatives. As you undoubtedly know, in the case of these

grower cooperative associations, they have a special status under income tax statutes, and in the conventional sense have no profits. While a great many canners operate only one establishment in a particular rural locality, many companies or cooperative associations have two or more canneries. The bulk of the individual plants, however, are more or less within the same size range and are designed to process only the production from the contiguous farming communities.

The procurement program for canned fruits and vegetables during 1942 was reviewed at some length. As pointed out, in March, 1942, War Production Board Order M-86 *required* canners to reserve and hold for purchase by government agencies varying percentages of their 1942 pack of the several fruits and vegetables. These reservations ran from 15 per cent in the case of one product to 100 per cent in the case of others, and the reservation order covered the 10 principal fruits and the 12 principal canned vegetable products. This reservation program was in part the result of the cooperative work of the Quartermaster Corps and the industry late in 1941 in evolving a businesslike program for the procurement of canned foods in which direct purchasing from the processor was set up, and buying by the government for each of the armed services was centralized in the Army. This reservation order, as we indicated, was not in any sense a contract but merely a reservation. There was no commitment on the part of the Army to take any specific goods; the pack was produced in ordinary course; and upon completion the Army exercised the right to take, if it so desired, certain grades in an order of preference packed in particular preferred containers. In other words, these goods were not packed to Army specifications, and the spot purchase was not made until the pack was completed.

In practice, the canners packed whatever the harvests yielded. They held portions of their pack in their warehouses until the Army inspected particular lots. As to each lot inspected, a separate purchase contract was executed and payment made. Thereafter, the canner held the goods awaiting shipping orders. His obligation was to hold the goods for about 11 months and he was completely responsible for loss or destruction of the goods held. Many of the lots purchased were still at the cannery on May 1st and large quantities are still in canners' warehouses.

With respect to pricing, the procurement of canned foods during 1942 was undoubtedly unique. Late in 1941 there had been organized in the Quartermaster Corps, largely through the efforts of the late Col. MacKeachie, a staff of canned food buyers. These gentlemen were mostly civilians drawn from the distributing trades and were almost all experienced canned food buyers thoroughly knowledgeable of the products concerned, the areas packed, the grades, price levels, and the like. Pricing of the canned foods was essentially a matter of negotiation. The Office of Price Administration had established ceiling prices for canned foods and vegetables on an individual formula basis. In outline, this provided for a determination of the weighted average sales price for a 60-day period immediately following the beginning of the 1941 pack, that is, prior to any general increase in the price of canned foods, and the application to this base price of certain fixed percentages to cover additional increased costs. (OPA Maximum Price Regulations No. 152 and No. 185.) The result of this formula was that every individual canner had a somewhat different ceiling price, directly related to his 1941 price levels and designed to afford no increase in profit margins.

In its buying, the Army did not pay the OPA ceiling price but purchased on a lower negotiated basis. After extensive negotiation the Army canned food buyers determined for each product packed what a fair price would be, and this was not only lower by the amount of brokerage than the OPA ceiling for any one canner, but in most cases lower by some additional amount. Wherever a canner was willing to sell at less than the maximum price ideas of the Army buyers, he received a lower price. Or if his individual ceiling price was very low, the Army buyers could legally pay him only such ceiling even though it was well below the general price being paid for that product. Finally, in the case of many so-called "uncertified canners" the prices paid were lower than those paid to other canners who had been certified. It might be said that in almost all cases these expert food buyers, drawn from the grocery industry, knew the markets and purchased upon a rather closely negotiated basis.

Approximately 35 per cent of the entire pack of fruits and vegetables was purchased by the Army. Such purchases were made from every canner in the United States. As already stated, all government procurement of canned foods was centralized in the Army with the exception of certain relatively small purchases made directly by the Federal Surplus Commodities Corporation. Not all of these goods, however, will go to the armed services. For a variety of reasons which later developed, the Army assigned, in some instances, its contracts to the FSCC. In others, it directed the canner to deliver either to the FSCC or to a public warehouse for the account of the FSCC. It is our understanding that these goods placed in the hands of the FSCC will not go to the armed services, but will be used for various civilian activities carried on by the Department of Agriculture—e.g., school lunches, relief distribution, food stockpiles for civilian emergencies, etc.

We trust that it has also been made clear that the 1942 canning of canned foods reserved for government purchase and those for civilian sale were completely intermingled. In many cases the packing of two or more items proceeded simultaneously, and one might go to the government in large percentage and another in relatively smaller or perhaps wholly for civilian distribution. Moreover, we believe it is perfectly clear that the freezing of fruits and vegetables is in almost all cases performed by the same processors from the same fruits and vegetables in the same factories. Not only does the frozen fruit or vegetable come from raw material purchased under common contracts with growers, but also precisely the same preparatory operations are performed on such fruits or vegetables—whether for canning, freezing, or dehydrating—up to the point of packaging and processing either by the application of heat or cold.

The effect of the tin limitation order issued by the War Production Board in February, 1942 (Conservation Order M-81), was likewise considered. Although it is not readily apparent from the list of products which were permitted to be packed in tin by this order, its effect was drastically to limit the number of canned foods which might be packed in tin. In many instances, such as baked beans, spaghetti, potatoes, dog food, hominy, California freestone peaches, cranberry sauce, fruit salad, pimientos, etc., further packing in tin was completely prohibited by the order. In others, limited packing in tin solely for Army use was permitted. The effect of this order was drastically to change the 1942 operations of many canners as compared with former years. Some suffered a large loss in total volume. Others replaced, in whole or in part their so-called specialty or "dry lines" with increased production of the fruits and vegetables which the Army particularly desired to get and as to which the amount of available tin cans was not restricted. Obviously, since production at a particular cannery is limited to what the contiguous acreage can produce, this was not always feasible.

With respect to accounting, we indicated that there is no such thing as a standard method of accounting in the canning industry. The yield according to grades and the cases per ton of raw material vary annually, and these factors, as well as distribution of overhead among the several items packed in sequence or simultaneously, are all completely intermingled as between products sold to the civilian trade and those purchased after the pack by the Army. In addition, where canning and freezing are carried on together, the accounts as well as the operations are not readily severable. Where dehydrating was also carried on by these same processors, the same problem exists.

You will recall that we reported the widely prevalent understanding in the industry that these sales of canned foods are not subject to renegotiation. This arose largely from the method whereby buying for the Army by this

NATIONAL CANNERS ASSOCIATION

Washington, D.C.

After the Information Letter had gone to press Friday evening, the Director of Economic Stabilization announced a plan to meet the price-ceiling, wage-rate problem now confronting the canning industry. The press statement follows:

"The Director of Economic Stabilization announced today a series of steps which will be taken by various governmental agencies to insure an adequate supply of processed vegetables. The program which was announced will maintain fair and equitable returns for the canning industry, at the same time preventing increases in the consumer prices of essential cost of living items. These items are green peas, snap beans, sweet corn, canned tomatoes and other primary tomato products.

"The Director's instructions, issued to the War Food Administration, the Office of Price Administration and the National War Labor Board are as follows:

"1. No increases shall be made in the ceiling prices of canners for sales of these four products to the civilian trade.

"2. Ceiling prices shall be established for sales to government agencies that will reflect the current costs of raw materials and processing and these ceilings shall be adjusted to the extent necessitated by subsequently approved wage increases.

"3. The Commodity Credit Corporation will carry out its purchase and resale program in accordance with the agreement entered into with the processing industry with respect to the pack for civilian consumption.

"4. Under the hardship clause of the contracts of Commodity Credit Corporation, the Corporation will absorb that portion of the additional processing cost, represented by approved increased wage rates, necessary to permit individual processors to obtain net returns from their 1943 operations in line with the average net return for the industry during representative pre-war years. A detailed method for arriving at such determination will be worked out by the Corporation after a consultation with the industry. The method will be subject to the approval of the Director of Economic Stabilization. Payments under this clause will be made at the close of the packing season as soon as the facts are available.

"5. For minor vegetables, which are not essential cost of living items, approved increased raw material cost and approved wage rate increases will, where necessary to assure to the processors the margins required by law, be reflected in higher ceiling prices.

"Today's determination is in accordance with the President's 'Hold the Line' order of April 8, 1943. Prior to that time it had been announced that ceiling prices for all processed vegetables would be adjusted to compensate for approved wage rate increases. This previously announced policy would result in higher consumer prices for essential cost of living items, -- a result inconsistent with the 'Hold the Line' program.

"Under the present policy, ceiling prices charged by processors previously announced by the Office of Price Administration for these essential items will remain in effect."

June 12, 1943

experienced group of specialists was on a negotiated basis after the pack was completed. Most of the contracts on the separate lots purchased were in amounts less than $100,000. In one instance, on the West Coast, information stated to have come from the Quartermaster Corps to the effect that such sales were not subject to renegotiation was bulletined to the industry.

Recently, the confusion in the industry has been increased by the announcement that contracts covering frozen foods are not included among those to be renegotiated. Since the freezing operations are carried on by the same processors in the same plants on the same fruits and vegetables derived from common contracts with growers, and since freezing and canning and dehydration are covered in the same subsidy contract with the Department of Agriculture, this confusion is not unexpected. Indeed, since the reason for exemption of frozen food was announced to be that the costs could be determined at the time of contracting, it is difficult for canners to see any distinction between frozen and canned foods. This is particularly true since at the time of purchase of the particular lots after the packing is completed, as much information is available with respect to canned foods as would be for frozen foods.

A contributing and equally disturbing factor is the $100,000 limitation. It is estimated that of the 3,000 canners who sold to the Army, about 1,000 will be within the group who sold more than $100,000 to the Army. In view of the fact that the larger units are simply multiple collections of individual canneries of the same relative size as the smaller units, a great many canners among the thousand or so subject to renegotiation fail to appreciate the reason for this limitation as applied to the canning industry.

These apprehensions and possible misunderstandings become more acute in view of both the seasonal character of the industry and the tremendously difficult manpower situation which now confronts every canner. At no time have many of these companies had what could be called an accounting staff; at the present time even these few clerical workers have been depleted. Essentially, because of the seasonal character of the industry, the year-round nucleus of factory and office workers must be greatly expanded during the harvesting and canning season, and each of the experienced office or factory workers becomes a supervisory employee. It is unfortunate, therefore, that the request for the necessary information for renegotiation coincides in time with the actual packing season. This either has begun or is about to begin in most canning areas. As a practical matter, the burden of supplying even the minimum requisite information may in many instances be met only at the expense of production. In this connection, attention is called to the fact that in the few cases where only a single product was packed, there are numerous purchase contracts for the particular lots, and that many canners packed as much as ten to twelve separate products.

In view of the fact that the active packing season has begun and the lack of manpower is so acute, we hope that you will find it possible to acquaint the various sections of the Board with this problem to the end that upon an appropriate showing being made by a canner in an application, an extension of time within which to furnish any necessary information will be accorded until the vital job of producing the food has been completed.

It has occurred to our committee, in the light of our discussions at this conference, that the Price Adjustment Board might appropriately at this time give serious consideration to the desirability of including among the list of food products exempted from renegotiation not only the frozen foods already included but also the completely interrelated canned foods.

We are authorized to say that the officers and staff of the National Canners Association are desirous of cooperating with your staff in every way possible and that any information which may be available at the Association will gladly be supplied.

Grade Labeling Bill Presented for 1944 Pack

Under the provisions of a bill introduced in the House on June 9 by Representative Jerry Voorhis of California, the Price Administrator would be directed to institute a system of grade labeling applicable to the 1944 pack of canned foods. The bill (H. J. Res. 135) provides that this action of OPA is to be taken following hearings or consultations with representatives of the canning industry, food distributors, and consumer organizations.

Congressman Voorhis' bill further provides that "the Administrator shall seek to devise and put into effect a system of grade labeling which will (a) Protect consumers against upgrading of merchandise and concealed quality deterioration; (b) Lend itself most readily to effective enforcement of the Emergency Price Control Act and the regulations issued thereunder; (c) Not interfere with maximum production of canned-food products."

The bill has been referred to the House Committee on Banking and Currency, since this Committee has jurisdiction over price control legislation. No action on the proposal has been scheduled by the Committee.

Boren Hearings on June 14

The Boren subcommittee of the House Committee on Interstate and Foreign Commerce will continue hearings held pursuant to the Halleck resolution on Monday, June 14. Officials of the Office of Price Administration, who were to have appeared before the subcommittee this past week, will testify concerning that agency's food policies and regulations.

Hoffman Resigns from OPA

The resignation of A. C. Hoffman as Acting Deputy Administrator of Food Price Control was announced June 8 by the Office of Price Administration. Mr. Hoffman will return to the Department of Agriculture from which he came to OPA in 1941.

Mr. Hoffman's responsibilities have been taken over by Donald Wallace who becomes sole Acting Deputy Administrator for price. Mr. Hoffman and Mr. Wallace were appointed Acting Deputy Administrators for price following the resignation of Deputy Administrator J. K. Galbraith which was reported in last week's INFORMATION LETTER. These appointments were temporary, pending the selection of a Deputy Administrator for the price department, it was stated.

R. B. Heflebower, who continues as director of the food price division, will have immediate charge of the food price control program. Kenneth W. Rowe, who, as executive officer for price, has assisted in the administration of the food price program, will aid Mr. Wallace in the general supervision of the program.

Salmon Offers Invited

The Special Commodities Branch of the Food Distribution Administration announced June 8 that it would receive offers for the sale of Alaska salmon, as the government purchasing agency for reserved quantities, any time prior to August 15. Details of the purchase program are contained in "Offer of Sale" forms mailed to canners. This contract form states the basis of indemnification under which canners will be reimbursed by 85 per cent of out-of-pocket costs in the event of a partial or complete pack failure resulting from the war.

Due to an error in the offer forms mailed under date of June 8, the Special Commodities Branch has sent canners revised offer forms. The revised forms were mailed under date of June 10 with a special notice to destroy the original forms.

FOOD MACHINERY QUOTAS ARE SET BY ORDER L-292

Manufacture Is Scheduled and Certain Styles, Models Standardized In New Regulation

General Limitation Order L-292, entitled Food Processing Machinery, has been issued by War Production Board. This order covers food processing machinery of practically all types, and it specifically includes all canning machinery and equipment which is defined in Schedule A of the order as follows:

"Canning machinery and equipment. This term includes all preparation machinery and equipment, filling, labeling and casing machinery used in the canning, dehydrating, freezing and fresh packing of fruits, vegetables, fishery products (including fishery by-products) and all other human or animal foods, but excluding (1) preparation equipment for meat and meat products (2) home canning and home dehydrating equipment (3) container sealing and closing and jar capping machines (4) refrigeration equipment."

The several purposes of this order may be summarized as follows:

1. To prohibit manufacture of certain non-essential items.

2. To standardize certain styles and models.

3. To conserve critical material by prohibiting its use in certain items.

4. To provide for scheduling of the manufacture of food processing machinery.

5. To provide for the control and release of food processing machinery by War Food Administration.

Under the provisions of this order, on and after June 15, an order for canning machinery and equipment will not be an "approved order" unless it bears a preference rating of AA-3 or higher assigned on Form WPB-576 (formerly PD-285). The rating on this form will be required on new equipment valued at $50 or more, and on used, rebuilt or reconditioned machinery valued at $300 or more.

It should be carefully noted that the release form WPB 576 (formerly PD-285) is the form provided by Order P-115. Canners, therefore, will be less affected directly by Order L-292 than will food machinery manufacturers for whom the order was principally intended.

Canners' requirements for new capital equipment are still covered by Order P-115 as amended June 3 (see June 5 INFORMATION LETTER), and all applications for machinery should be filed on Form WPB-576 (formerly PD-285). This form also, as noted above, provides the necessary release under Order L-292. Plans now are under way for revision of this form, and it is hoped that the new forms can be made available very shortly, the Priorities Division states.

Canners should especially note that neither Order L-292 nor Order P-115 have provisions for repairs, maintenance and operating supplies. Material of this type is all covered by CMP regulation 5 which assigns an automatic AA-1 rating to food processors for their repairs, maintenance and operating supply requirements.

CMP Regulation 5 does not require copies of purchase orders to be forwarded to Washington; therefore, canners will no longer have to follow this procedure which was previously required by Order P-115.

WANTED AND FOR SALE

Machinery–Equipment

This column is open only to members of the Association who want to buy or sell canning machinery and equipment. Names of firms listing the items below will be furnished upon application to the Association. In requesting names, please identify items by number.

WANTED

69-W—Max Ams can closing machine.

70-W—One 10 to 25 gallon steam jacketed stainless steel kettle, 40 pounds pressure.

71-W—Laboratory steam processing retort.

FOR SALE

244-S—A-B 12-valve syruper and briner for No. 2 cans, good condition, equipped with head displacement valves. Will handle 150 cans per minute. Also suitable for filling juices.

Increase in Farm Machinery

A substantially increased program for the production of farm machinery, to get under way July 1, was announced June 9 by War Production Board Chairman Donald M. Nelson.

A total of 300,000 tons of carbon steel, with other materials in proportion, has been allocated to the farm machinery program for the quarter beginning July 1. To assure continuous and balanced production, advance authorizations totalling an additional 200,000 tons of steel also have been approved for each of the three quarters from October 1, 1943 to July 1, 1944.

During the third quarter of this year, special emphasis will be given to the manufacturer of harvesting machinery for this year's crops.

Within a few days WPB will issue a new farm machinery order to replace L-170, under which the industry has been operating. In order to assure adequate production, distribution, maintenance and repair facilities, the new order will eliminate the concentration features of L-170. It will provide for production of new machinery at approximately 80 per cent of the 1940 level, it was stated.

Equipment for Farmers

The War Production Board, June 7, amended General Limitation Order L-123 to permit farmers to obtain items of general industrial equipment, such as fractional horsepower motors, frequently used on farms without furnishing A-1-c priority ratings, required by others. A farmer now need only certify to his dealer that he is a farmer and needs the equipment in operating his farm.

Food Trucks Given Preferential Rating in Gasoline Shortage

Preferential treatment is being accorded the trucks used in food production and distribution which are affected by the eastern gasoline shortage, according to an announcement by the Office of Defense Transportation. Under the definition of preferential treatment is listed "food production and distribution, including supplies for farms, food processing and food preservation." Among the essential classifications are listed fruits and vegetables (fresh, frozen, dried, and canned), dairy products, fresh and processed meat, fish, poultry and eggs. The ODT ruling states that:

"All of the industries included in this preferential list are considered vital to the war effort and trucks serving them should be supplied with gasoline for necessary truck transportation. It is intended that trucks serving these industries shall receive, where necessary, gasoline rations in addition to the reduced gasoline allowances, for truck operations necessary to the performance of the basic functions of the industries."

Illinois Elects 1943 Officers

The following officers were elected for 1943 by the Illinois Canners Association, at a meeting on June 2: President, William R. Benner, Streator (re-elected); vice-president, G. S. Suppiger, Belleville; secretary-treasurer, W. D. Jones, Streator.

OPA REVISES METHOD OF CALCULATING POINT VALUES

Ration Points for Canned Meats, Fish And Milk To Be Figured As Are Fruits and Vegetables

Point values of canned meats, fish, milk and other products rationed under Order 16, are to be calculated by the same method that is being used under Ration Order 13 to calculate point values of canned fruits and vegetables, it is announced by the Office of Price Administration.

The new system of calculating point values for red stamp canned products requires that canners calculate the point value for each container and multiply that point value by the number of containers in a case to obtain the point value per case. The net weight of the product is to be multiplied by the point value per pound. If the result gives a whole number and a fraction, the fraction is to be dropped if it is less than ½. If the fraction is ½ or more, the point value of the container is taken as the next largest whole number. The point value per case will be the point value per can or jar, as calculated above, times the number of cans or jars in the case. Point values of larger quantities will be calculated accordingly.

If the net weight of an individual can or jar is so small that the point value is calculated to be less than ½, two or more cans or jars may be combined for calculation, provided the combined point value does not exceed 1. For example, if the point value of a small can is calculated to be .3, three such cans may be considered as a unit, the calculated point value of which would be .9. One point would be surrendered for three such cans. If, however, one can only of this size is sold, 1 point must be surrendered. The point value of a case of 96 cans of this size would be 32 points, as there are 32 three-can units, each of which must sell at 1 point.

Further illustration is given in an instance where the point value of an item is less than half of a single point. Canned milk, for example, is valued at 1 point a pound. The value of a three-ounce can is 0.19 of a point. Since the combined point value of five cans is just under 1 point, five could be bought for a point. Hence, to buy 100 cans from a supplier would take 20 points, and 1,000 cans would be 200 points.

WPB AMENDS ORDER L-103

Sets Discontinue Dates for Manufacture Of Non-standard Glass Containers

The dates on which the manufacture of non-standard glass containers is to be discontinued, under a June 8 amendment to Limitation Order L-103, have been announced by the War Production Board, and those in which canners may be interested are as follows:

Products	Cut-off date
Fruit butter	June 12, 1943
Preserves	June 12, 1943
Jelly	June 12, 1943
Tomato catsup	Jan. 5, 1944
Chili sauce and cocktail sauce	Jan. 5, 1944
Tomato paste Not less than 25 per cent by weight dry tomato solids	Jan. 5, 1944
Tomato pulp and puree Not less than 10.7 per cent (specific gravity 1.045 or more than 25 per cent by weight dry tomato solids)	Jan. 5, 1944
Vinegar	Jan. 5, 1944
Fruits and vegetables and mixtures thereof, including ripe olives, but excluding cranberries and maraschino cherries	Jan. 5, 1944
Pickles and relishes	Jan. 5, 1944
Fruit and vegetable juices and mixtures thereof	Jan. 5, 1944
Olives, green	Jan. 5, 1944
Maraschino cherries	Jan. 5, 1944
Cranberries and cranberry sauce	Jan. 5, 1944
Pectin, liquid	Jan. 5, 1944

Razor Clam Regulations

The Department of the Interior has issued regulations with respect to the amount of razor clams that may be taken from the Prince William Sound Area and Copper River Area Fisheries during the periods January 1 to June 30, and August 16 to December 31.

WFA Asks Freight Rate Cut

The War Food Administration has asked five railroad freight associations to lower their rates on used containers returning from the North so that southeastern fruit and vegetable growers may cope with a container shortage.

At present, freight rates on used containers—from the North into the southeastern area bounded by the Mississippi, Ohio and Potomac rivers—discourage the return movement of these containers to producing areas, it was explained. Used containers are needed because of the decreased production of new containers resulting from the scarcity of wood and metals, and the increased demand for packages for war uses.

Shrimp Inspection Fees Raised

The Food and Drug Administration of the Federal Security Agency has raised the fees charged for canned shrimp inspection work to cover increases in salaries being paid inspectors. The changes become effective July 1 and apply to all applications submitted after that date.

The advance fee of six $150 installments, payable over the nine-month inspection period, will be $184.50 and the per case fee of four cents will be six cents. Additional technical changes also were made to bring other portions of the regulations into conformity with the above increases in fees.

M-81 QUOTAS REWORDED

Certain Products Now Stated in Terms Of Percentage of 1942 Pack

In the case of those products that formerly could be packed for the Government only, the packing quota in Order M-81 was listed merely as "FDO-22" (See May 1 INFORMATION LETTER), meaning that the product could be packed only for the Government and the packing quota was the same as the percentage listed in FDO-22 to be reserved for the Government.

Recently FDO-22.4 was issued, reducing the percentages to be reserved for the Government (See May 22 LETTER). The packing quotas under M-81, however, were not to be reduced. It was therefore, necessary to re-word some of the packing quotas in M-81 to express them as percentages of the 1942 pack. This change in the designation of the packing quota was issued by the War Production Board on June 11. The items affected, with their respective packing quotas, are shown below:

Product	Packing quota
2. Apple sauce, including sauce from crab apples	41% 1942
5. Blueberries or huckleberries	100% 1942
9. Figs, Kadota	100% 1942
26. Beets. Whole beets over 1¼" diameter not to be packed	100% 1942
27. Carrots. Whole carrots not to be packed	130% 1942
34. Pumpkin and squash	61% 1942

The result of this change in the order is to permit canners to pack these items for the civilian trade in quantities equal to the difference between the old and the new set-aside percentages for the Government.

Another change in the order as issued June 11, is that canners are now directed to pack in No. 10 cans only two thirds of the government reservation. Previously the requirement was to pack the government quota in No. 10 cans "to the greatest possible extent."

NWLB Suggestions on Determination of Area Wage Rate Brackets

Regional Boards Instructed on Their Application Under Stabilization Regulation and Directives

The National War Labor Board on June 8 sent to its regional boards suggestions on how to determine area wage rate brackets and how to apply them in adjusting wages to the "minimum of the going wage bracket" in order to correct substandards of living and gross inequities under the "Hold-the-line" Executive Order No. 9328, and the May 12 supplementary directive of the Economic Stabilization Director.

The instructions, voted unanimously by the NWLB, also covered the determination of rates defining sub-standards of living for use in applying other sections of the "Hold-the-line" Order of April 8. Text of the instructions follow:

I. Authorities and Responsibilities of Regional Boards and Regional Wage Stabilization Directors

A. Previous orders defining the authority of the Regional Wage Stabilization Directors have been revoked by the Board and the following general rule has been adopted:

> "Matters of policy, whatever the size of the case, should be determined by the Regional Boards, but routine application of such policy decisions, once made, may in the discretion of each Regional Board and as defined by the Regional Board, be delegated to the Regional Wage Stabilization Director, with such specific instructions as the Regional Board may lay down."

B. All rulings of the Regional Wage Stabilization Director are subject to appeal to the Regional Board.

II. Steps and Methods in the Determination of Brackets of Sound and Tested Wage and Salary Rates

A. COLLECTION, CLASSIFICATION, AND PRESENTATION OF RATE DATA

1

The role of the Regional Boards: a. It is suggested that in each region a tri-partite division of the Regional Board be created to supervise the work of rate gathering.

b. This tri-partite division should exercise general supervision and integration with respect to gathering, analysis, classification, presentation and interpretation of rate data for wage stabilization.

c. The tri-partite division of the Regional Boards should:

(1) Determine the type of wage data that are necessary and relevant in carrying out the Board's wage policy.

(2) Determine the disposition of available personnel for wage work and the sources of wage data to be used, and in this connection call a conference with Regional Board staff officials, local Bureau of Labor Statistics staff officials, union and employer groups, and Regional Board members. Suggested sources are trade association surveys, union agreements, files of union research agencies, special surveys by particular companies, expert knowledge and experience of Regional Board agencies, fact-finding tri-partite panels or advisory groups, regional wage data files, Bureau of Labor Statistics studies, and studies by other Government agencies.

(3) Evaluate and test the data for its representativeness and soundness.

(4) Determine the extent to which tri-partite panels should be used for rate gathering purposes.

(5) Determine, on the basis of the Regional backlog, the areas where conditions are most critical and the industries and occupations for which wage data should be gathered first.

(6) Make progress reports on wage data collection to the Regional Boards.

2

The role of the Regional Wage Stabilization Division: The Regional Wage Stabilization Division should assist the tri-partite divisions of the Regional Boards in the collection, classification, and presentation of wage and salary rate data, as may be requested by the tri-partite division of the Regional Board.

3

The role of the Wage Stabilization Division of the National Board: a. The staff of the National Board will make available wage and salary rate data from the following sources: (1) Its own files; (2) Wage Administration Section of the War Department; (3) National trade associations and large companies.

b. The Wage Stabilization Division of the National Board will lend technical assistance to the Regional Offices with respect to the analysis and presentation of rate data as requested.

B. DETERMINATION OF THE BRACKETS BY REGIONAL BOARDS

1

Meaning of wage and salary brackets: a. A rate bracket is a range, from minimum to maximum, of stable, tested rates for a given occupation in a given labor market.

b. There should be a bracket for each major job classification studied. Each bracket should be for jobs which are comparable as to the type of work performed. Similarity of names is no guarantee of comparability of jobs. Similarly named jobs may in fact differ by type of industry, by method of wage payment, and by fact of unionization. It may be found necessary to determine separate brackets, with respect to the same-named job, for different general types of establishments. However, small variations in similar jobs are normal; such small variations in job content do not preclude the inclusion of such jobs in the same bracket.

c. It is desirable that an adequate sample of plants and employees be studied for each job classification in each industry-labor market area.

d. *Initial* attention should be given to such major or key job classifications in a given industry and labor market area as may be deemed appropriately typical of such industry and area.

e. Labor market areas should be considered normally to be single localities, but there is no hard and fast rule with respect to geographical or industrial coverage.

(1) Frequently two or more closely contiguous and related localities may be one labor market area.

(2) Sometimes single, isolated plants or job classifications cannot be compared occupationally with other establishments or jobs in the locality, and it will be necessary to go some distance before comparable job classifications can be found.

(3) In certain industries or companies the wage structure is such that uniform or almost uniform rates are set throughout a Region regardless of locality; here the Regional Boards should take due regard to such fact in determining appropriate brackets.

2

There is no automatic, statistical way of determining the wage rate brackets. The use of sound judgment and discretion by the tri-partite boards is necessary. The following suggestions, however, may be found useful:

a. Decisions on particular cases before a Regional Board may be expedited by the setting of tentative brackets for the key occupations involved.

b. In setting tentative brackets, it would be well to bear in mind that wage rate brackets are quite different from the single weighted average rates which were used in deciding cases under Executive Order 9250. However, a Regional Board may, in its discretion, make use of the weighted average for a given job classification by constructing a rule-of-thumb bracket as follows: take as the bracket minimum a point, say, 10 per cent below the weighted average rate and take as the bracket maximum a point, say, 10 per cent above the weighted average rate.

c. Other possible methods for determining the bracket minimum are:

(1) In localities where each establishment pays a single rate for a given job classification, it will frequently be found possible to set the minimum of the bracket at a point where the first substantial and representative "cluster" of rates is discovered.

(2) In localities where each estab-

lishment pays ranges of rates rather than single rates for a given job classification, the minimum of each plant's rate range rather than the average or maximum rate should be utilized to determine the minimum of the wage bracket. In such cases the minimum of the bracket would normally be fixed at a point where the first substantial and representative cluster of minimum rates for the job classification is discovered.

(3) In localities where, for a given job classification, some establishments pay a single rate and other establishments pay a range of rates, it is suggested that the first substantial and representative cluster of the minimum rate of the ranges, rather than the first substantial and representative cluster of the single rates, be considered as the minimum of the bracket.

d. In setting the brackets, previous Board decisions in particular cases may be used.

e. Rates found in existing union agreements, if negotiated within the past twelve months, may also be used in determining wage brackets.

f. The bracket setting jurisdiction of a Regional Board is limited to labor market areas entirely within its Region. Brackets for labor markets covering parts of two or more Regions should be determined by a tri-partite committee representing and jointly established by the Regional Boards involved.

g. The minimum and maximum rates of the brackets for all major job classifications should be publicized within the labor market to which they are applicable.

h. It should be understood by all concerned that the determination of brackets is not final but is subject to revision as new data become available, as new cases come up, or as appeals are made to the Regional Board for reconsideration or the National Board for review.

III. Use of Rate Brackets by Regional Offices

A. MALADJUSTMENT CASES

In maladjustment cases the Regional Boards should consider whether or not, in cases where the 15 per cent formula would move the rate for any job classification above the maximum of the appropriate bracket, the increase for such classification should be limited to the maximum of such bracket.

B. INTER-ESTABLISHMENT RATE RELATIONSHIPS

1

In accordance with the supplementary order of May 12, it is not generally permissible to approve rates above the minimum rates of the respective brackets. The "rare and unusual cases" where above-minimum adjustments may be made are those where, in the judgment of a Regional Board, approval of such adjustment is highly essential to the success of the war effort or for the correction of a grossly inequitable condition. The following criteria are suggested as guides for the determination of an applicant's relation to the war effort:

a. The establishment should be engaged primarily in an activity included in the War Manpower Commission's *List of Essential Activities* or covered by the WMC's designation of "locally needed activities."

b. The establishment must have been in compliance with all the War Manpower Commission's regulations and policies with respect to recruitment, training, and utilization of labor and with respect to operation on a Minimum Wartime Workweek (as defined in Section 4 of WMC Regulation No. 3).

c. There should be proper statements or certifications from appropriate government agencies with respect to the above matters.

2

When an applicant who pays a single rate rather than a range of rates for a given job classification is allowed to move up to the wage bracket minimum, his advance to such minimum will depend on whether the minimum was based on single rates or on the minimum rates of rate ranges.

a. If the bracket minimum is based on single rates, such applicant may be permitted to move up to the minimum of the bracket.

b. If the bracket minimum is based on the minimum rates of rate ranges, such applicant may be permitted to move up above the bracket minimum an amount roughly equal to the difference between the average minimum rate and the average middle rate of the rate ranges paid by the rate-range establishments.

3

An applicant who pays a range of rates rather than a single rate for a given job classification shall be allowed to move the minimum rate of his range up to the minimum of the bracket, and he should be allowed to increase the maximum rate of his range proportionately, but not higher than the bracket maximum.

4

In cases where approval of rate ranges for various job classifications is requested for new plants or for new departments of existing plants, the rate ranges should be set in the lower part of the appropriate brackets except (1) in rare and unusual cases where the critical needs of war production require or (2) in the case of new departments, to maintain internal balance of the rate structure.

5

In cases where an applicant requests a general wage or salary rate increase on the grounds of inter-establishment gross inequities, his case should be handled only on the basis of appropriate job-classification comparisons. Some of his existing key-job classifications might be below the appropriate bracket minima and some above the appropriate bracket minima. Approval of increases up to the bracket minima for only the former jobs and denial of increases for the latter jobs might therefore raise the problem of intra-establishment inequities. In such cases it is permissible to

(a) Approve the increase in full for the below-bracket minimum jobs

(b) Make modified or "tapered" approvals of the requested increases for the already-above-bracket-minimum jobs, so as to (1) minimize intra-establishment disruption as much as possible, and (2) avoid any unstabilizing inter-establishment effects.

C. INTRA-ESTABLISHMENT RATE RELATIONSHIPS

1.

Cases to which the last sentence of Paragraph One of the Byrnes Directive of May 12 is applicable (i.e., intra-establishment inequities arising out of application of the Little Steel formula or out of the use of a minimum rate for sub-minimum job classifications or out of the adoption of a longer work-week) should be handled by a "tapering" process of granting successive smaller increases to successively less immediately inter-related job classifications. Regional Boards should, in making such adjustments, avoid creating any unstabilizing inter-establishment effects.

2.

Other cases of intra-establishment gross inequities, including those involving non-major job classifications, may be handled as previously, namely, with due regard for

(a) Maintaining proper rate balance among the various job classifications, and

(b) Avoiding creation of unstabilizing inter-establishment effects.

IV. The Processing of Maladjustment Cases

(Material will be placed here based on the National Board's answer to numerous policy questions re application of Little Steel formula.)

V. The Determination of Rates Defining Sub-standards of Living

A. Each Regional Board should proceed to recommend such rate or rates for its region to the National Board for approval.

B. It is suggested that no more than three rates be recommended for any region.

C. Relation of minimum sub-standard rates to wage brackets.

1.

In voluntary applications, where the agreed-on rate for a given job classification is below the appropriate Regional sub-standard minimum rate, the Regional Boards may approve an increase

in such rate up to the appropriate Regional sub-standard minimum rate without regard to the wage-bracket rates for such classification.

2.

In dispute cases, where the disputed rate or rates for a given job classification are below the appropriate Regional sub-standard minimum rate, the Regional Boards in their discretion may use appropriate bracket rates in determining such cases.

VI. The Processing of Other Kinds of Cases

A. HOURS OF WORK CASES, VACATION PLANS, NIGHT SHIFT BONUSES, ABSENTEE, ETC.

Within the meaning of the cost and price provisions of Executive Order 9328 and of the Directive of May 12, the following types of cases may be dealt with in the sound discretion of the Regional Board. First, applications by employers not under the Fair Labor Standards Act to pay time and one-half for hours over 40, or to change from a fluctuating to a fixed work week for the purpose of computing overtime as currently permitted to employers who are under said Act. Second, adjustments incident to the improvement of working conditions which do not involve increasing basic wage-rates, and which do not exceed the sound prevailing practice in the industry or area. (This last category has reference to the so-called "fringe" cases described in the Gill Committee Report, but the Board does not wish either to attempt to enumerate these cases or to belittle their importance by attaching to them the adjective "fringe.")

B. INCENTIVE WAGE PLANS

No specific instructions regarding incentive plans can yet be given pending further experience with varying types of cases, but the principle must be observed that the working out of such plans is a matter particularly suited to collective bargaining and that where a collective bargaining agency exists all rules designed to preserve collective bargaining should be applied to such cases. It goes without saying that in making intra-plant and other adjustments, collective bargaining procedures established by agreement should be followed.

Each Regional Office should send in to the Wage Stabilization Division in Washington examples of types of incentive wage plans for analysis and reports to the National Board and for National Board action.

FISH PROCESSORS EXEMPTED FROM 7TH DAY DOUBLE TIME

(Concluded from page 7707)

after an investigation of the relevant factors bearing upon this application, I find that the nature and exigencies of operations in this industry make it necessary and advisable for the successful prosecution of the war to determine that the provisions of Executive Order 9240 shall not apply to the West Coast and Alaska fish processing industry as defined herein.

"Now, therefore, by virtue of the power vested in me by Executive Order 9248, it is ordered that the provisions of Executive Order 9240, entitled 'Regulations Relating to Overtime Wage Compensation,' shall not apply to employees engaged in the processing of fish, including the canning and reduction thereof, and operations incidental thereto, in the States of Washington, Oregon, and California, and in the Territory of Alaska."

Prior to the filing of the petition by the salmon industry, the Association had filed an application for exemption for the entire canning industry, including fish, which was denied by the Secretary. As stated on page 7682 of the May 29 INFORMATION LETTER, the Association is now discussing the renewal of this application with the Department.

GREEN PEAS FOR CANNING

Report Shows That Cool, Wet Weather Has Caused Planting Delays

Acreage of green peas sown for canning is shown in the following table, prepared by the Association's Division of Statistics. The actual acreage planted is shown for 1942. The 1943 acreage is shown as a percentage of that planted last year.

Seeding had not been completed in some areas on June 1, the date of this report. Cool, wet weather has delayed planting in most sections with the result that the season is from ten days to two weeks late. There is danger of bunching at harvest time.

Excessive rain in New York State and Michigan has kept fields too wet to plant peas. Considerable seed that has been planted in those States has rotted or failed to germinate. In Indiana and Ohio heavy rains and floods have damaged considerable acreage.

State	Planted acreage 1942 Alaskas	Planted acreage 1942 Sweets	Reported acreage 1943 Alaskas	Reported acreage 1943 Sweets
	Acres	*Acres*	*Per cent of 1942*	
Maine	113	2,012	...	147
New York	3,135	32,638	40	71
Maryland	18,904	2,731	98	150
Delaware and New Jersey	2,578	5,800	115	98
Pennsylvania	5,211	5,123	102	108
Ohio	5,822	2,645	105	69
Indiana	11,156	746	100	135
Illinois	7,734	13,768	97	101
Michigan	5,055	7,188	70	90
Wisconsin	87,770	60,408	99	116
Minnesota	11,580	21,578	104	99
Utah and Idaho	270	16,727	86	101
Washington and Oregon	2,031	68,012	535	92
Other States	9,980	16,105	117	111

TOMATOES FOR PROCESSING

Weather Has Retarded Setting of Plants In Many Large Producing Areas

Large numbers of tomato plants remained in cold-frames and seed-beds on June 1 because growers were unable to prepare their fields, according to a report issued by the Department of Agriculture on June 9. Transplanting is expected to continue into June in practically all of the important northern producing States east of the Rocky Mountains. This task has generally been completed in the western States. Following is the USDA report by areas:

Delaware, Maryland and Virginia: Setting plants in fields began early in May and many growers expected to continue into June. Most fields were in good condition and up until June 1, plants developing satisfactorily. Insects bothersome in a few areas.

Pennsylvania, New Jersey, and New York State: Headway slow in Pennsylvania because of frequent rain during May. But plants set out made good growth. In New Jersey slightly more favorable conditions prevailed, but in New York State, all planting schedules disrupted by frequent rains. Growers were confronted with problem of checking growth of plants until fields could be prepared.

Ohio, Indiana, and Illinois: Rains and floods made serious inroads in acreage. As late as June 1, many of fields were so muddy that it was difficult to set plants. Some areas will need two weeks of warm, dry weather before fields can be worked into suitable condition.

Kentucky, Tennessee: Growers have plenty of plants but are waiting for bright, warm days to dry the land so it can be prepared.

Arkansas, Missouri: Rains delayed planting. Transplanting expected to continue during first two weeks in June.

Colorado, Utah: Conditions variable. Frosts in mid-May caused loss of some plants in Utah but most growers obtained additional plants and were replacing those killed by the cold spell.

SNAP BEANS FOR CANNING

USDA Reports Difficulty in Preparing Fields for Overdue Planting

Progress in preparing fields for snap beans was under considerable difficulty, according to a report on planting conditions of snap beans for processing, issued by the Department of Agriculture June 9, and covering conditions as of June 1. Much of the intended snap bean acreage will have to be planted during June after the ground has had a chance to dry out, the report states. Following is the USDA breakdown of conditions by regions:

Delaware, Maryland and Virginia: Seed was planted as early as May 10 in some fields but frequent rains during the month hindered planting. Considerable acreage remains to be planted in June. Harvesting not expected to get under way before latter part of month.

Pennsylvania: Extent of planting limited by unfavorable weather. Considerable acreage will be planted in June.

New York State: Almost no headway made during May in preparing fields. Recurring rains kept land wet and muddy.

Michigan, Wisconsin: Season for planting is about 10 days later than last year. Except for few scattered fields, planting not expected to become general much before June 5.

Mississippi, Tennessee: In eastern Tennessee, June 1 prospects favorable for good yields. In Mississippi and areas in central and western Tennessee, insects causing losses and ground getting too dry for best results.

Arkansas, Louisiana, and Oklahoma: Rains and high water, particularly in Ozarks, disrupted planting in May. Some of crop in lowlands was flooded and washed out, and after water receded, fields needed to be reworked before they could again be planted.

Colorado, Utah: Favorable conditions prevailed during May for planting. Work was going forward about on schedule.

Oregon, Washington: Planting about 10 days behind schedule but this delay not considered too serious to be overcome by favorable growing conditions after June 1.

Weiner Resigns from WPB

Chairman Donald M. Nelson on June 7 announced that he was accepting the resignation submitted by Joseph L. Weiner, who had been director of the Office of Civilian Supply since December, 1942. The resignation will be effective June 14.

In May, 1941, Mr. Weiner became Assistant Administrator and Director of Civilian Supply in the Office of Price Administration and Civilian Supply under Leon Henderson. In August of that year the Civilian Supply Division of OPACS was transferred to the Office of Production Management and it remained as a Division of the War Production Board when the latter organization was set up in January, 1942. Mr. Weiner served as its Deputy Director until December, 1942, when he became Director following the resignation from that position of Mr. Henderson.

On April 15, 1943, the Office of Civilian Supply was replaced by the new Office of Civilian Requirements under Arthur Whiteside.

Sweet Corn for Processing

Sweet corn planting in Maine and New York has been delayed from two to four weeks because of wet fields and rainy weather, according to a June 1 conditions report issued by the Department of Agriculture. There is danger that much of the intended acreage may not be planted.

Excessive rain and wet fields have retarded planting in the Middle Atlantic States during May. Most of the sweet corn acreage in this area will be planted late.

The Mid-West, especially Ohio, Indiana and Illinois, suffered from floods and excessive rainfall, with the result that very little corn acreage has been planted.

In Iowa, Minnesota and Wisconsin there has been some delay in planting but the situation is not as serious as in the other corn sections.

Canned Carrot Pack for 1942

The pack of canned carrots in 1942 totaled 2,167,532 actual cases as compared with 1,854,734 actual cases in 1941, which was the largest pack of record at that time. The following table, compiled by the Association's Division of Statistics, presents the detail of the 1942 carrot pack by States and can sizes:

State	No. 2	No. 2½	No. 10	Misc. tin	Misc. glass	Total
	Cases	*Cases*	*Cases*	*Cases*	*Cases*	*Cases*
New York	95,274	.....	204,901	12,384	64,740	377,300
Maryland	76,772	6,810	26,514	1,515	.....	111,611
Michigan	27,857	153	22,812	.....	.....	50,822
Wisconsin	143,587	40,768	338,830	10,867	164,554	698,626
Utah	9,617	.....	21,794	.....	13,980	45,391
Oregon and Washington	63,508	.....	215,579	.....	200	279,287
Other States	224,790	.....	203,406	142	176,098	604,436
Total	641,405	47,731	1,033,896	24,928	419,572	2,167,532

DRIED FOOD EXEMPTIONS

Dehydrated Sweet Potatoes, Carrots Are Released from FDO-30

After June 1, 1943, processors of dehydrated carrots and sweet potatoes are not required to set aside for sale and delivery to government agencies any percentage of these two commodities, according to an amendment of Food Production Order 30 governing the conservation and distribution of dehydrated vegetables.

However, under this amendment processors must continue to set aside 100 per cent of all dehydrated Irish potatoes, cabbage, beets, onions, and rutabagas processed subsequent to the effective date of the amendment, June 1, 1943. The Director of Food Distribution of the War Food Administration has the right to fix or change any percentages of dehydrated vegetables at any time.

Though future production of sweet potatoes and carrots will not be reserved, processors are required to continue holding the stocks on hand on June 1 for delivery to the government or alternative disposition by the Director of Food Distribution. Reporting requirements of the order remain unchanged for all seven vegetables.

Other changes were made in the reservation order (FDO 30) by the same amendment.

Processors may sell the five reserved products, directly or through suppliers, to ocean-going vessels, provided specific authorization is obtained from the Director in advance and proof of deliveries to the ships is furnished subsequently.

Processors also are released from the restrictive provisions of the order on (1) lots not exceeding 25 pounds sold over a 3-month period for research or experimental purposes; (2) lots needed as essential ingredients by dehydrated soup manufacturers in filling government contracts; and (3) lots shipped after July 1 to civilian food product manufacturers having quotas assigned to them.

Evidence by Henry P. Taylor before Smith Committee

The following statement, made by Henry P. Taylor at a hearing before the Smith Committee of the House, was not available at the time last week's INFORMATION LETTER was issued, but was part of the testimony presented by a group of canners tending to show that regional pricing and mandatory labeling, as required by the Office of Price Administration, are not conducive to the high production needed for 1943, and exceed the authority conferred by the Price Act.

I am to speak to you with reference to the effect of OPA's area pricing on the canning industry.

Perhaps the first thing to consider is what is the canning industry. Some people speak of it as they might say "a pound of butter," implying that it is a homogeneous whole and may be treated as such, and that its reactions to changes affecting it will be similar if not identical throughout the industry.

No idea could be more mistaken. The units which make up the industry are probably more dissimilar than those of any other industry. They will vary not only with the products packed, the geographical location, climatic and soil differences, but also with their size, the way in which they are organized, the type of service they supply, and even the personality of their management.

The OPA has recognized that differences do exist in the industry, because they have set up different areas and the prices they have named on various canned products differ from area to area for each product. I submit that differences exist within each area which are vastly greater than the differences between areas.

With reference to products packed it is perhaps not relevant to the subject in hand to say that a cannery set up to pack one item usually has to be changed over completely if it is to pack another, but it is relevant to point out that there may be a great deal of difference between a packer who cans a single item and his competitor who cans that item as one of a number of other items. The latter is able to spread his overhead, warehousing, selling and delivering over a wider field with resulting economies which are considerable. In addition, he is able to spread his packing operations over a much longer period of time, which is helpful in maintaining his permanent organization. Another point not usually considered is this: The canning industry depends for its volume on the kind of weather prevailing while the canning crop is growing. The extent of this influence may be gauged by the fact that on the pea acreage for my company this year, if we had had the best yields per acre in our past history the pack would have been over 70,000 cases, while if we had had the poorest yield of our past history, it would have been very little over 20,000 cases. Now, with products maturing during different periods of the year and requiring different weather conditions for best results, it is not probable, in the case of a company packing several products, that there will be a crop failure in all of them. So that, just as a life insurance company can insure a number of lives with entire safety, those firms which are able to handle a number of items, and particularly when they are large enough to pack them in different areas, have a protection from crop hazard which the one-crop packer in a single area does not have.

As for geographical location, a canner's nearness or distance to those markets where he must sell his product or buy his supplies has a profound influence on the profit or loss which his business will show. Climatic differences of temperature and rainfall also affect profoundly the individual canning business. For instance, in Virginia it is possible to can peas for only three weeks, while in Wisconsin and Minnesota the season lasts for nearly nine weeks. In other words, a factory with the same daily capacity would pack three times as many peas in Wisconsin as it would in Virginia. Over 50 per cent of all the peas packed in Wisconsin and Minnesota grade Fancy, while a Virginia packer does well to pack as much as 25 per cent in the Fancy grade and the average is much below this, perhaps less than 10 per cent. This means that the value of the pack, per average thousand cases, is much less in Virginia than in Wisconsin and Minnesota. The yield per acre in Wisconsin and Minnesota is about 1,800 pounds while in Virginia it is only about 1,500 pounds for peas of lower quality, so that the return is greater to the farmer in the two former States.

This last variation is a result of soil differences as well as differences in climate. The infertile, worn-out soils which make up so much of the Southeastern Coastal Plain cannot compete in yield per acre with the fertile soils of the Middle West and much of the Northeast, and they place a very definite handicap on the canning industry located there. These soils can be restored to a much higher level of fertility, but it takes money and time. It means that the people in this area must set aside a part of their present meager returns, as compared with other farm areas, to be invested in increased fertility, just as the small storekeeper must invest a part of his earnings in building up his stock of goods if he is to grow into a great merchant. I do not mean that the South does not have advantages to offset some of her handicaps, but I am interested in developing the wide differences existing in the canning industry.

In addition to these differences, which may be called natural, there are others, such as size and the amount of labor-saving machinery used, which are usually associated and which usually result in considerable savings in cost. May I remark parenthetically that to impose on so varied an industry a single wage scale reminds me of nothing so much as that bed in Grecian mythology to which the traveler was accommodated by being stretched if he happened to be too short and cut off if he happened to be too long.

Perhaps, however, the most distinguishing difference, which is found side by side in all areas, and which is as vital as any of the other differences I have mentioned, is the difference in the type of service which the individual canner undertakes to supply.

The industry may be divided roughly into two groups. In these two groups will be found indiscriminately large and small canners (though the largest tend to belong to the first group), well and poorly financed canners, and canners of single and multiple items.

The first group packs most of its output to sell under its own brands. In general, though there are exceptions, it attempts to pack a much better than average quality and seeks its reward through the willingness of the consumer to pay a premium for the better quality which may be consistently found under the packer's label. The exceptions in this group which do not pack a better than average quality make their appeal through a consistently lower price, but they are less important than those packers who make the quality appeal.

Now, subject to the other factors affecting the cost of packing, or we may say, where these other factors are constant, it always costs more to pack high quality than it does low quality, and I think that is almost self-evident. It also costs more to sell merchandise which is consistently identified in the minds of the wholesale and retail distributors and the consumer as being of high quality when it is under that particular brand. This is because under our competitive way of doing business all three of these groups are always looking for something just as good at a lower price and there is always some one trying to persuade them that this other party has just what they are looking for. The first packer, whether he is a national advertiser selling in the national field or the small packer selling in his nearby markets, through his policy of consistent packing, selling and merchandising, has developed a demand for what he has to offer, but he can only hold that demand by the most unremitting effort, and this costs money. The only advantage he has is that the consumer does want this quality and that generally the competitor who tries to undersell him by short-cut methods cannot consistently supply equal quality at a lower price.

The second group consists roughly of those packers who make no effort to

do much selling under their own labels but who plan to supply the very large demand for goods to be sold under the distributor's label. This demand exists because the distributor likes to be independent of the packer, to be free from the price competition which results when several types of distributors sell the same brand, and also free to pick up from time to time those bargains which the distress, the judgment, or the whim of some packer make available. This the distributor is able to do when the merchandise is identified with him under his label instead of being under the packer's label.

Some of the packers in this group pack excellent quality, but are inexperienced in merchandising, or are underfinanced or are lacking in initiative and so are unwilling, or unable to do the job undertaken by the first group. But on the whole, competition in this group tends to emphasize price rather than quality, and the packer tends to skimp the quality because he knows the price will be low and being human, he wants to make as much as he can. His selling expenses usually are very low compared with the first group, and we have seen that decreases in quality generally bring decreases in cost.

Note, however, that selling expenses are not eliminated, they are merely transferred in part in this case to the distributor who is buying for his own label, and removed from the selling price of the canner. In some instances, where the distributor specializes in the best quality he can get, the selling and advertising expense of the distributor may equal that of the packer in the first group selling his own label.

The selling price between these two groups may, and usually does, vary between wide limits on the same grade of the same item, but this is a variation which the OPA has completely overlooked in naming flat regional prices.

In making this distinction, I wish to point out that while the differences between the expenses in these two groups are very evident, naturally there is no hard and fast dividing line, but the two groups merge imperceptibly one into another. This fact by no means destroys the validity of the distinction.

Another thing which the Office of Price Administration has completely overlooked is the wide differences which may exist in the same quality grade. I will admit that in the strictly Fancy grade, though differences do exist, they are not wide, but the difference in the Extra Standard grade between a near Fancy at the upper limit and a near Standard at the lower limit are extreme. In our own particular instance, we have been accustomed to get, before the rise due to the war, a price of $1.32½ a dozen for a high Extra Standard No. 2 sieve early pea, and $1 a dozen for a low Extra Standard No. 2 sieve early pea. This was a difference of 32½ cents a dozen or 65 cents a case. We had an eager demand for both peas, but the distributor was even more anxious for the better pea at the higher price, and so was the consumer. This difference is entirely ignored in the OPA's flat dollar and cents area pricing.

It would be thought that in so diverse an industry, presenting so many complex problems, the OPA would have sought the advice of the leaders of the industry in setting up those controls made necessary by war time conditions. I believe, as a member of several groups which have conferred from time to time with the OPA, including those conferences about a year ago when the official program was first announced, that I have seen enough to be able to state flatly that this was not the case.

The policies of the OPA, so far as they relate to the canning industry and the distribution of its products, were formulated by persons whose indifference to the opinions of the leaders of the industry was equaled only by their ignorance of its problems, and such conferences as have been held with the industry have been window dressing only.

If it is alleged that this was because of the unwillingness of the industry to cooperate, I will state that it is my considered opinion that such an allegation is untrue. At the first conference held in May, 1942, to which I have referred, I found the canners and the wholesale and retail distributors who attended this meeting keenly aware of the necessity for controls and genuinely anxious to do anything in their power to make such controls possible. I do not think I overstate the case to say that most of those present were willing to make any reasonable sacrifice in the hour of their country's need.

If I said that most of these men left this conference disheartened and disgusted, it would not be unreasonable to ask on what grounds I based that statement. I believe I can give a pertinent reason. Prior to the establishment of price controls, the Government had urged business generally not to increase prices, even though this meant some sacrifice on the part of business. A great deal of business cheerfully complied with this request, frequently selling goods they had bought on a lower market at less than they could be replaced for at the time of sale. The first edict of the OPA was that each merchant was to sell each item he handled at the same price he asked for it in March, 1942, regardless of whether that price was less than replacement cost or not.

In other words, this first order rewarded those merchants who had refused to cooperate and had advanced their prices as fast as possible during the period prior to control, while it stuck a knife in those merchants who had loyally cooperated and kept their prices down. Thus at one fell swoop the OPA destroyed the confidence and lost the cooperation of business, and the mess which has resulted is hardly to be wondered at. Business is still eager and ready to make any reasonable sacrifice which will benefit our country, to pay taxes and to work without profits if need be, but it does not see where the crippling of business will help win a victory and it believes that sacrifices should be handed around more evenly.

At this conference to which I have referred I made the following criticism, which was not very well received. I said that it was the opinion of a great many business men, whether it was justified or not, that the economists who write these regulations are very much in the position of a man who is teaching military science but who has had no actual military experience. It is felt that when such men are placed in command of troops on active service, there will be a lot of unnecessary casualties.

I should like to add that if we will define intelligence as the ability to follow a line of abstract reasoning, and judgment as the ability to apply correctly one or more abstract principles to a concrete situation, we can very well admit that there is intelligence in the OPA but deny that any judgment can there be found. This is a serious matter. A year ago I wrote Mr. Leon Henderson in part as follows: "An attempt on the part of the Office of Price Administration to regulate prices without preserving those normal differences and relationships which must be the result of fundamental forces that cannot be ignored, will tend to confirm the belief of business men in the incapacity of those in charge to do an adequate job. I say this not in criticism, but to point out that the fundamental requirement for the successful cooperation which alone can bring victory is confidence, and that those factors which tend to undermine confidence cannot be disregarded with impunity."

It may fairly be asked if I have any better solution. I might say that the situation resembles that of a farmer who has some cows and who also has a field of grass on which he wishes them to graze this summer and a field of corn he wants to feed them on next winter. The simplest way to keep the cows out of the corn is to build a fence. This leaves the cows necessary freedom of movement. The OPA, however, has chosen to hog-tie each cow, and seems ever more concerned to see that no cow gets any more grass than any other cow, forgetting that the cows which eat the most grass usually give the most milk.

There is something even more important. While price control may well work hardship, there is no reason for it to be the instrument of injustice. Where such injustice occurs, as in the case where the man who kept his prices down was penalized while the man who advanced his was rewarded, no amount of explanation on theoretical grounds can remove the feeling of unfairness which exists on the part of those so discriminated against and stands squarely

in the way of their wholehearted cooperation with the price control program, and no program can possibly be effective which does not have the wholehearted support and cooperation of the industries affected.

WITHHOLDING OF INCOME TAX

(Continued from page 7707)

and wages are defined as including remuneration for services performed by an employee for his employer, whether paid in cash or by other methods, such as board and lodging. Where the wages are partly paid in board and lodging, then the total wage would include the cash value of the board and lodging in this example and any money wages paid.

The Act specifically excepts wages paid to agricultural labor as defined in Section 1426(h) of the Internal Revenue Code and casual labor not in the course of the employer's trade or business.

The definition of "agricultural labor" remains the same as the definition used to determine for whom the employer made deductions of the Victory Tax under the 1942 revenue legislation. As indicated in the INFORMATION LETTER for January 16, 1943, there is no clear-cut definition of "agricultural labor," with respect to which the employer has no obligation to withhold and deduct income taxes. The suggestion made in that LETTER, that the canner should be guided *generally* by the classification established for employees under the Social Security Act still seems appropriate.

In this connection, however, where the canner has employees who are engaged during a payroll period partly in agricultural labor and partly in other types of work, if the non-agricultural services consume more than one-half of the pay period, then *all* of the remuneration both for the agricultural services and the other services is to be considered wages, from which the employer is required to make the particular deductions and withholdings. Conversely, if the agricultural labor, for example, constitutes *more* than one-half of the services performed during the particular pay period, then the employer has no obligation to deduct or withhold the tax on the wages paid *during the particular pay period*. For the purposes of this provision, designed to cover border-line situations, a pay period shall not exceed more than 31 consecutive days.

Amounts To Be Withheld by the Employer

Under the statute, every canner is required to withhold a tax equal to the *greater* of (1) 20 per cent of the excess of each payment of wages *above* the "family status withholding exemption" allowable for the particular employee; or (2) 3 per cent of the excess of each payment of wages to the employee *above* the "Victory Tax withholding exemption" for the particular employee. This system clearly requires computations of the amounts for each employee. In other words, the minimum amount to be withheld by the employer shall not be less than 3 per cent of the wages in excess of the Victory Tax exemption.

In order to relieve employers from the necessity of making individual computations for each employee, the employer *at his election* may make "wage bracket withholdings" in accordance with schedules made a part of the Act, which cover all family situations with respect to exemptions and all types of payroll periods.

If the employer uses the wage bracket method, he must follow those schedules, which will lessen the canner's accounting burdens.

The schedules of the two types of exemptions are:

Family Status Withholding Exemption

Payroll period	*Single person*	*Married person claiming whole of personal exemption for withholding or head of family*	*Married person claiming half of personal exemption for withholding*	*Married person claiming none of personal exemption for withholding*	*Each dependent, other than the first dependent in the case of the head of a family*
Weekly	$12	$24	$12	0	$6
Biweekly	$24	$48	$24	0	$12
Semimonthly	$26	$52	$26	0	$13
Monthly	$52	$104	$52	0	$26
Quarterly	$156	$312	$156	0	$78
Semiannual	$312	$624	$312	0	$156
Annual	$624	$1,248	$624	0	$312
Daily or miscellaneous (per day of such period)	$1.70	$3.40	$1.70	0	$.85

Victory Tax Exemption

Payroll Period	*Victory Tax withholding exemption*
Weekly	$12.00
Biweekly	24.00
Semimonthly	26.00
Monthly	52.00
Quarterly	156.00
Semiannual	312.00
Annual	624.00
Daily or Miscellaneous (per day of such period)	1.70

The 20 per cent figure is an approximation of the normal tax of 6 per cent, the first surtax bracket rate, and 3 per cent of the Victory Tax. The new Act modifies the Victory Tax provisions of 1942 by repealing the requirement to deduct Victory Taxes. The Act provides that no deduction for Victory Taxes shall be made for an employee for any payroll period beginning after July 1, 1943, at which time the employer's obligation to make the withholdings and deductions provided by the new Act begins. Thereafter, the employer has the obligation only to make deductions for taxes under the Current Tax Payment Act of 1943.

In addition to the withholdings based upon use of the above computations, an employer may be authorized to use a third alternative under which amounts may be withheld on a quarterly basis. Regulations to be promulgated by the Commissioner will govern quarterly withholdings.

Withholding Exemption Certificates

Every employee is required to furnish to his employer a certificate showing his family status. This form (United States Treasury Department, Form W-4) shall take effect as of the beginning of the first payroll period after the filing of the certificate, or as of the first payment of wages, if there is no regular payroll period. If the employee fails to file the required certificate with the employer, the Act provides that the employee shall not receive any exemption. In that case, therefore, the employer would be required to deduct and withhold a tax computed upon every dollar of the wage paid to the employee.

In addition, whenever the status of the employee changes, such as by marriage, the employee is required to file a new certificate with the employer within ten days of the date of that change. Certificates filed to show a change of status become effective on the first "status determination date," which is defined as January 1 and July 1 of each year, occurring at least 30 days after such filing. The employer may at his option, however, make the certificate for change of status effective with respect to any previous payment of wages made after the filing of the certificate. Presumably, regulations will govern the exercise of the employer's option to make the certificate effective immediately.

Although there is no provision in the Act, it is suggested that the canners notify the employees of the need to file these certificates, and make available to employees the forms prescribed by the Treasury Department, which will be available shortly at the local Collector's office.

Credits and Refunds

If the employer withholds more or less than the proper amount of the tax with respect to any payment of wages,

the employer may make adjustments with the employee without interest under regulations to be prescribed by the Commissioner.

If the employer pays to the Treasury more than the amount required to be withheld from his employees, he may obtain a refund or a credit for the overpayment.

Reporting Obligations of the Employer

The employer is required to make a return of the amounts withheld and pay those amounts to his local Collector on or before the last day of the month following each quarter of the year.

In addition, each employer is required to furnish on or before January 31 of each year, to his employees from whose wages deductions were made, an annual written statement showing *both* the wages paid by the employer to the employee and the amount of the tax deducted and withheld by the employer for the particular employee. If the employee leaves his employment before the close of the calendar year, the employer is required to give the employee such a statement on the day when the employee receives his last payment of wages.

The Commissioner may by regulations prescribe the form and information to be contained on these statements. If the employer files with the Bureau of Internal Revenue a duplicate of the statement to the employee made in accordance with the regulations to be promulgated, the duplicate shall constitute the return which the employer is required to make under Section 147 of the Internal Revenue Code with respect to payments by the employer of gains, profits and income of $500 or more in any taxable year.

Canners should keep as part of their employment and payroll record, copies of the family status withholding exemption certificates, the certificates showing a change of status of the employee, and the statements to the employee showing the amounts deducted from the wages and paid to the Treasury.

Individual Income Tax

Canners probably will be asked numerous questions by their employees as to how the transition to a current tax basis operates. The first thing to be emphasized is that the new tax law does *not* relieve anyone from the requirement to pay the installment of the 1942 tax which is due on June 15, 1943.

Employees may also have the idea that the provisions for withholding amounts from their wages means that they do not have to pay the Victory Tax for the current year. Although, as previously stated, the new law repeals any requirement on the part of the employer to withhold Victory Tax deductions, individual taxpayers are still obligated to pay the 5 per cent Victory Tax. The computation of the Victory Tax will be made on the returns for the year 1943 to be filed on March 15, 1944.

In addition, if an employee receives an income during 1943 *from sources other than wages*, he is required to file on September 15 and December 15, 1943, a declaration of an "estimated tax" which represents the tax on the portion of the employee's income from which no deductions or withholdings were made by the employer.

Technically, the statute "forgives" all 1942 taxes and provides for various methods by which taxes are to be computed for the year 1943. However, the actual result of the methods of computing the 1943 taxes is complete "forgiveness" for all taxes for the year 1942 which are less than $50.00, and 75 per cent forgiveness for all other taxpayers who do not fall within the so-called "windfall provisions."

Where the 1942 tax is not greater than the 1943 tax and where the tax for 1942 is more than $50, the employee must file a return on March 15, 1944, which shall include, in addition to the tax computed on income received during 1943, the *smaller* of the following: (a) an amount equal to 25 per cent of the tax computed for the year 1942 or (b) an amount which is the difference between $50 and the 1942 tax. The second amount is the so-called "notch" provision designed to apply to persons whose 1942 tax is slightly more than $50.

If the tax for 1942, as computed on the returns filed on March 15, 1943, is larger than the tax computed on income received during the year 1943, the individual taxpayer employee must add the difference between the greater 1942 tax and the 1943 tax. In addition, where the tax for 1943 is more than $50, the taxpayer must also add the smaller of these two amounts: (a) an amount equal to 25 per cent of the tax for the year 1943, or (b) the difference between the tax for 1943 and $50 (the "notch" provision). The second amount to be added, however, shall *not* be *greater* than the *lesser* of 25 per cent of the 1942 tax, *or* the difference between the 1942 tax and $50.

There are additional provisions to cover "windfall" situations and increased income in 1943 which are not discussed. These brief comments with respect to the individual income tax returns are not meant to cover in any detail the complications existing with respect to the computation of individual income tax returns under the transition to the current basis, but merely indicate the main features of the plan. Each individual return must be carefully calculated upon the particular individual's situation, and rulings should be sought in doubtful cases.

Canned Beet Pack in 1942

The 1942 pack of canned beets, totaling 6,740,258 actual cases, was the largest pack of this product of record. The 1941 pack, also a record, amounted to 6,428,630 actual cases. The following table, prepared by the Association's Division of Statistics, presents the detail of the 1942 pack by States and can sizes:

State	No. 2	No. 2½	No. 10	Misc. tin	Glass 16-oz.	Glass Other	Total
	Cases	*Cases*	*Cases*	*Cases*	*Cases*	*Cases*	*Cases*
New York	343,450	134,788	997,160	13,599	886,802	176,063	2,551,871
Maryland	141,862	14,259	91,807	2,018	.....	.....	249,946
New Jersey	28,528	31,197	32,344	15,764	.....	.....	107,833
Indiana	8,603	59,220	20,647	161,149	.....	.....	258,619
Michigan	82,331	16,425	61,161	47,938	14,767	.....	222,622
Wisconsin	510,191	109,830	573,071	68,653	508,842	19,537	1,880,124
Utah	7,137	.....	4,548	.....	.....	.....	11,685
Oregon	419,625	.....	326,643	4,630	.....	.....	750,898
Washington	16,721	15	23,907	1,853	12,810	.....	55,306
Other States	284,917	82,807	224,747	14,265	44,618	.....	651,354
Total	1,843,374	448,541	2,365,035	329,869	1,557,839	195,600	6,740,258

Frozen Foods Inventories

All institutional users except those in Group I, which consists primarily of small boarding houses, will be required to report their inventory of frozen foods in containers over ten pounds as of the close of business on June 5, the Office of Price Administration announced June 8.

The necessity for filing inventory reports results from an OPA order placing the bulk sizes of frozen foods under rationing, effective June 6.

Group III institutional users that used frozen foods in containers over ten pounds during December, 1942—the base month used in computing allotments—may amend their registration, filed last March, by including the amount of these frozen fruits and vegetables used during December.

Provision for the inventory reports described above is contained in Amendment 26 to General Ration Order 5.

"Contract" School Procurement Covered by Certificate Method

A certificate system to facilitate procurement of foods by schools under contract for training military personnel and by certain vessels was announced June 7 by the War Food Administration. These "contract" schools and ships will buy "set-aside" and "quota exempt" foods under the certificate plan, effective June 15.

Food needs of contract schools are included in the total food requirements of the armed forces. Procurement difficulties have arisen, however, since these schools do their own purchasing. Heretofore, there has been no official means of identifying eligible institutions.

A somewhat similar situation has existed with respect to vessels operating under contract with the War Shipping Administration. That agency submits all food requirements for such ships, but the foods covered by these requirements are purchased directly by ship operators from private ship chandlers (suppliers).

Under Food Distribution Regulation 2, issued June 7, representatives of "contract" schools or vessels under contract to War Shipping Administration will provide a certificate to food vendors in obtaining set-aside or restricted foods. The type of certificate that must be used on each purchase order is specified in the regulation.

In selling these types of foods to "contract" schools and ships, intermediate distributors will keep the original certificate and submit a copy to their own supplier, in order to replenish their stocks.

Crown Makers Seek Metal

Crown manufacturers have inaugurated a campaign to comb the country for steel, particularly blackplate, which has been frozen in the hands of various manufacturers by War Production Board conservation orders, the Crown Manufacturers Industry Advisory Committee told WPB officials at a recent meeting in Washington.

Use of prime steel for the manufacture of crowns is prohibited by WPB. However, tinmill blackplate rejects and electrolytic waste-waste may be used.

The crown industry was advised to report any metal located to the Containers Division, WPB, Washington, D. C. If the metal is determined to be unfit for a more essential war use, authority to purchase it for the manufacture of crowns will be granted.

To Speed Mail Delivery

In addressing mail to the Association please observe the new postal district number method adopted to expedite mail deliveries. See that your mail to the Association is addressed as follows: National Canners Association, 1739 H Street N. W., Washington 6, D. C.

Restrictions on Puerto Rican Shipments Are to be Lightened

A number of the restrictions on commercial importations of foods into Puerto Rico will be lifted July 1. The action, which was agreed upon jointly by the Department of the Interior and the Food Distribution Administration, will result in the return to commercial importation of approximately 1,500 tons of foodstuffs monthly. Formerly, the commodities in question had been procured and shipped to Puerto Rico by FDA and had been sold to wholesalers on arrival at cost plus shipping charges.

FDA will continue to ship such items as rice, beans, low-cost meat products, codfish, and other commodities which are difficult or impossible for importers to buy through commercial channels. On the other hand, commercial shippers will handle such items as canned vegetables and fruits, breakfast foods, baby foods, chocolate and cocoa, and a wide variety of other items.

Control in allocating importers' quotas for these food items will be in the hands of the General Supplies Administration in Puerto Rico.

The Department of the Interior will be responsible for allocation of shipping space on the basis of the approved import requests, when notified by the mainland suppliers that the orders are ready for shipment.

Action on Wage Increases

Regional War Labor Boards have authorized increases in cannery wages in a number of States, including California, Washington, Oregon, Minnesota, Illinois, Wisconsin, Indiana, New York, Maryland, and Utah. It is understood, however, that the applications for authority to make these increases were accompanied by applications for increases in ceiling prices. Accordingly, the authority to make wage increases is not effective until approval is given by the Director of Economic Stabilization.

Brown Announces OPA Plan to Extend Use of Industry Groups

Extending the use of industry advisory committees, the Office of Price Administration on June 9 set up machinery for the formation of advisory committees to cover all industries affected by OPA price regulations.

"It is my desire that industry advisory committees be set up immediately throughout the entire agency as a matter of administrative policy rather than waiting for demands of industry exercising their right under the Emergency Price Control Act," Administrator Prentiss M. Brown said in a memorandum to the OPA staff.

While the Price Control Act requires OPA to set up advisory committees on the request of representatives of an industry, under the policy inaugurated by Mr. Brown, advisory committees will be set up for all industries whether or not a request has been made.

Through Procedural Regulation No. 13 which contains a plan of organization and procedure and an operating order, the Administrator places responsibility upon each price executive of a commodity or service branch of OPA to establish committees associated with the branch.

Injury Prevention Booklet

"A Guide to the Prevention of Weight-Lifting Injuries" embodying recommendations of a group of safety experts, plant physicians, and personnel officers has been issued by the Division of Labor Standards of the U. S. Department of Labor, and may be obtained upon request to that Division. The pamphlet was prepared as a result of requests from industry, labor and government-contract agencies for practical methods for preventing strain injuries.

New Association Members

The following firms have been admitted to membership in the Association since May 8, 1943:

Fruitland Canning Assn., Inc., Fruitland, Idaho
Hirsch Bros. & Co., Louisville, Ky.
Knapp-Sherrill Co., Donna, Texas
John Moyer & Sons, Farmersville, Ohio
Nelson Canning Co., Lovingston, Va.
Paragon Packing Co., Astoria, Ore.
Pyramid Fisheries & Co., Inc., Seattle, Wash.
Whitson Food Products Co., Denton, Texas
Winneconne Canning Co., Winneconne, Wis.
Yolanda Packing Co., Los Angeles, Calif.